

**Office of the
Attorney General**

Idaho Lemon Law



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My office prepared this pamphlet to assist car owners, auto manufacturers and car dealers in understanding their rights and responsibilities under Idaho's lemon law, Title 48, Chapter 9, Idaho Code. The lemon law protects consumers who buy a vehicle that is subject to an applicable manufacturer's warranty.

If you believe that you are the owner of a "lemon," I urge you to study this pamphlet carefully. You also should seek the advice of an attorney who is familiar with lemon law issues. If you do not have an attorney, you may contact the Idaho Lawyer Referral Service at (208) 334-4500 or online at www.isb.idaho.gov. The lemon law does not limit your right to report problems under the terms of your warranty or other laws.

I hope that the information contained in this pamphlet will minimize conflicts or misunderstandings and assist in the satisfactory resolution of lemon law disputes.

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IDAHO'S LEMON LAW

[Located at Title 48, Chapter 9, Idaho Code]

What is the Purpose of Idaho's Lemon Law?

Commonly known as a "lemon law," Idaho's Motor Vehicle Warranties statute was enacted to help protect you when you buy or lease a car, truck or van that is subject to an applicable manufacturer's written warranty. Nothing in Idaho's lemon law limits or affects your rights or remedies under other laws.

Does the Law Cover My Vehicle?

Idaho's lemon law covers vehicle "nonconformities," which include defects or conditions that impair the vehicle's use or market value. The law does not cover nonconformities resulting from abuse, neglect or unauthorized modifications or alterations of the vehicle.

The law applies only to vehicles that have a manufacturer's written warranty and that meet the following three requirements:

1. The vehicle was purchased or licensed in Idaho;
2. The vehicle weighs 12,000 lbs. or less; and
3. The vehicle is used primarily for personal business reasons or for individual, family, or household purposes.

Does the Law Exclude My Vehicle?

The lemon law does not apply to motorcycles, farm tractors, trailers or ATVs.

The lemon law does not protect you from:

- a dealer's false statements or misrepresentations (although you may have a remedy under the Consumer Protection Act)
- an inability to make the payment; or
- “buyer’s remorse,” if you change your mind and no longer want the vehicle.

How Soon Must I Report the Defect?

Immediately report any defect to the manufacturer or authorized dealer because the lemon law only covers your vehicle until one of three events occurs.

These events are:

1. the written warranty expires;
2. the vehicle is driven 24,000 miles; or
3. two years pass from the date of delivery.

For example, if you drove 24,000 miles in six months and did not report the defect until the seventh month of ownership, your vehicle is no longer a “lemon” under Idaho law. In this situation, even if you have five years left on your warranty, the lemon law does not give you additional time to report a defect. Therefore, promptly notifying the manufacturer of the defect is crucial if you want to utilize the lemon law.

What is the Manufacturer’s Duty to Repair My Lemon?

Under Idaho’s lemon law, the manufacturer or its authorized dealers must repair your vehicle according to the warranty if:

1. Your vehicle does not conform to the written warranty; and

2. You meet the reporting time limitations discussed in the previous section.

If you meet these two requirements, the manufacturer remains obligated to complete the repairs, even if the repairs are not concluded until after the warranty expires or two years have passed from the date of delivery.

When is the Manufacturer Required to Refund or Replace My Lemon?

Idaho's lemon law has special refund and replacement provisions for vehicles with substantial defects. If the manufacturer or its authorized dealers cannot repair or correct a vehicle's nonconformity after a "reasonable number of attempts," the manufacturer must either:

1. Replace the vehicle with a comparable one; or
2. Refund the vehicle's purchase price. However, the manufacturer may subtract from the refund a reasonable amount to cover the vehicle's use.

The number of "reasonable attempts" to repair a vehicle varies depending on the seriousness of the defect and the time it takes to repair it. Manufacturers always have at least one opportunity to repair a defect.

The "reasonable number of attempts" requirement is considered satisfied if the warranty has expired, two years from the delivery date have passed or the vehicle has exceeded 24,000 miles, whichever occurs first, and any one of the following conditions is met:

- The manufacturer has made four or more attempts to repair the same defect, but is unsuccessful.
- One unsuccessful repair attempt results in the complete failure of the steering or braking system,

and the failure likely would cause death or serious bodily injury.

- Repairs have made the vehicle unavailable for 30 or more business days.

You also may request a refund or vehicle replacement if you reported the defect during the term of the express warranty, and the manufacturer is unable to repair the defect within three years of the date of delivery.

When May a Manufacturer Refuse to Replace or Refund?

The manufacturer does not have to replace the vehicle or refund its price if:

- the problem does not impair the vehicle's use or market value; or
- abuse, neglect or unauthorized modifications or alterations caused the problem.

How Do I Report a Defect?

Even though your vehicle has undergone several unsuccessful repair attempts, you are not guaranteed a replacement or refund. You must first notify the manufacturer or authorized dealer, in writing, of the problem. You also must give them one opportunity to repair the defect.

In your written notice, include a detailed explanation of the defect, report that your vehicle is a lemon and demand that you get a refund or replacement vehicle under Idaho's lemon law. Send your notice by certified mail with return receipt requested so you have proof that the manufacturer or dealer received your letter.

This notice does two things:

1. It gives the company an opportunity to repair the defect (the manufacturer gets one chance to repair the defect after notification); and
2. It notifies the company of your intention to use Idaho's lemon law if the defect is not properly repaired.

What About Arbitration?

A manufacturer doing business in Idaho must offer consumers an arbitration program that addresses consumers' warranty-related disputes. A manufacturer's arbitration program provides consumers a fast, low-cost and simple way to resolve disputes. If the manufacturer requires it, consumers must arbitrate their disputes before they file a lawsuit.

Arbitrators are not judges and arbitration is not a judicial proceeding. In arbitration, an arbitrator will determine whether your car is, in fact, a lemon. Although your dispute is strengthened if you meet all of the lemon law criteria, you are not required to wait until all of the criteria are satisfied before arbitrating your dispute.

As the consumer, you have certain rights during the arbitration process. These include:

- **Information.** The arbitrator must provide you and other parties information about Idaho's lemon law.
- **Argument.** You may argue any factor that you consider relevant in support of your complaint, including the results of unsuccessful repair attempts.
- **Documents.** The arbitrator may consider only the documents that all of the parties received.

- **Comments.** You may comment in writing or orally on any documents that you receive during the arbitration.
- **Oral Presentation.** You must receive reasonable written notice of the arbitration and be allowed an opportunity to make an oral presentation to the arbitrator unless you agree to a telephone conference or to submit the case on the basis of documents alone. If the case is based on documents alone, the manufacturer or dealer representatives cannot participate in the discussion or resolution of the dispute. However, you may get better results if you make a personal oral presentation to the arbitrator.
- **Independent Appraisal.** If the manufacturer claims your vehicle is operating properly, you have the right to get an independent appraisal at your own expense.
- **Service Bulletins.** The manufacturer must provide to you, at reasonable cost, any known technical service bulletins that apply to the disputed defect.
- **Attorney Representation.** You may have an attorney during the arbitration process. However, most arbitration participants appear before the arbitrator without an attorney. Attorney fees for representation in arbitration are not recoverable under Idaho's lemon law.
- **Refund Amount.** If the arbitrator decides you should receive a refund or replacement vehicle under the terms of the lemon law, you are entitled to the same refunds and reimbursements you would have received had you won in court.

What If I Disagree with the Arbitrator's Decision?

Unless you agree that the arbitrator's decision is final, you are not bound by the decision. Within 30 days of receiving

the decision, you may apply for removal of the decision to the district court for a trial. The manufacturer has the same right. If no application is made during the 30-day period, either party may ask the district court to issue an order confirming the decision.

If the court determines that you or the manufacturer acted in bad faith when you removed the arbitrator's decision to court, the court may award the prevailing party three times the actual damages, attorney fees, and court costs. Bad faith includes asserting frivolous or unsupported claims or defenses.

May I File a Lawsuit Instead of Arbitrating?

Unless the manufacturer requires arbitration first, you can skip arbitration and file a lawsuit instead. However, you must file it within three years of the vehicle's delivery date. If you arbitrate first, you have three months to appeal the arbitrator's decision.

What If I'm Awarded a Refund?

If you are awarded a refund under the terms of Idaho's lemon law, the manufacturer must accept return of the defective vehicle and must refund:

1. the full purchase price of the vehicle, not to exceed 105% of the manufacturer's suggested retail price; (However, the manufacturer may deduct a reasonable allowance for your use of the vehicle before the arbitration hearing. The allowance cannot exceed the number of miles you added to the vehicle multiplied by the vehicle's purchase price and divided by 120,000)
2. sales tax;
3. license and registration fees; and

4. reimbursement for towing and rental car expenses.

If you leased your vehicle, you must return it to the manufacturer. The manufacturer must refund:

1. the pro rata amount of your down payment; (This amount is calculated by dividing the number of months of the lease into the amount of your down payment. That amount is then multiplied by the number of months remaining on the lease after arbitration.)
2. sales tax;
3. license and registration fees; and
4. reimbursement for towing and rental car expenses.

If you lease the vehicle, you are not entitled to a replacement vehicle. The manufacturer must provide you with a full refund of the early termination charges plus the residual value of the vehicle as specified in the lease agreement.

Your refund amount for the pro rata share of your down payment plus the amount of your refund cannot exceed 105% of the manufacturer's suggested retail price of the vehicle.

What If I'm Awarded a Replacement But Want a Refund Instead?

If you are awarded a replacement vehicle, you have the option of receiving a refund instead. Just remember, the refund and replacement provisions of Idaho's lemon law apply only if the defect impairs the vehicle's use or market value.

Helpful Hints

In preparation of a lemon law dispute, you should:

- Keep copies of all purchase orders, sales receipts, lease agreements, warranties, detailed repair invoices, letters and other documents concerning your vehicle and its problems or potential defects.
- If your vehicle is in the shop for repairs for more than one day at a time, make sure that the repair invoice shows the date it was brought into the shop and the date you were notified that it was ready for return.
- If you think you are eligible for a refund or replacement vehicle, remember the law requires you to give the manufacturer or authorized dealer written notice of your intent to rely on the “reasonable number of attempts” presumption. You should send a letter by certified mail with a return receipt requested. If you send the letter to the dealer, also send a copy to the manufacturer.
- If you have any questions about Idaho’s lemon law, you can review it at Title 48, Chapter 9 of the Idaho Code (Idaho Code § 48-901 et seq.). You can access the Idaho Code on the Attorney General’s Internet site at (www.ag.idaho.gov). You also should consult a private attorney.

Consumer Protection Manuals

Buying a Home	Landlord and Tenant Guidelines
Charitable Giving	A Parents' Guide to Social Networking Websites
Credit and Debt	Pyramids, Gift Schemes & Network Marketing
Foreclosure Prevention and Foreclosure Scams: How to Tell the Difference	Residential Construction
Guidelines for Motor Vehicle Advertising in Idaho	Rules of Consumer Protection
Idaho Consumer Protection Manual	Rules of Telephone Solicitations
Idaho Lemon Law	Senior Citizens Manual
Identity Theft	Service on an Idaho Nonprofit Board of Directors
Internet Lingo Dictionary	Telephone Solicitation
Internet Safety	Young Adult Handbook

Funds collected by the Attorney General's Consumer Protection Division as the result of enforcement actions paid for these pamphlets. No tax monies were used to pay for these publications.

The Consumer Protection Division enforces Idaho's consumer protection laws, provides information to the public on consumer issues, and offers an informal mediation process for individual consumer complaints.

If you have a consumer problem or question, please call (208) 334-2424 or in-state toll-free (800) 432-3545. TDD access and Language Line translation services are available. The Attorney General's website is available at www.ag.idaho.gov.